



ANNUAL STATEMENT  
For the Year Ending December 31, 2013  
OF THE CONDITION AND AFFAIRS OF THE  
Midwest Health Plan, Inc.

NAIC Group Code	1311 (Current Period)	1311 (Prior Period)	NAIC Company Code	95814	Employer's ID Number	38-3123777
Organized under the Laws of	Michigan		State of Domicile or Port of Entry	Michigan		
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health[ ] Dental Service Corporation[ ] Other[ ]		Property/Casualty[ ] Vision Service Corporation[ ] Is HMO Federally Qualified? Yes[ ] No[X] N/A[ ]		Hospital, Medical & Dental Service or Indemnity[ ] Health Maintenance Organization[X]	
Incorporated/Organized	01/01/1994		Commenced Business	01/01/1994		
Statutory Home Office	4700 Schaefer Road Ste. 340 (Street and Number)		Dearborn, MI, 48126 (City or Town, State, Country and Zip Code)			
Main Administrative Office	4700 Schaefer Road Ste. 340 (Street and Number)		Dearborn, MI, 48126 (City or Town, State, Country and Zip Code)			
Mail Address	4700 Schaefer Road Ste. 340 (Street and Number or P.O. Box)		Dearborn, MI, 48126 (City or Town, State, Country and Zip Code)			
Primary Location of Books and Records	4700 Schaefer Rd. Ste. 340 (Street and Number)		Dearborn, MI, 48126 (City or Town, State, Country and Zip Code)			
Internet Website Address	www.midwesthealthplan.com		(313)581-3700 (Area Code) (Telephone Number)			
Statutory Statement Contact	Paul E Stevenson, CPA (Name) p Stevenson@midwesthealthplan.com (E-Mail Address)		(313)586-6067 (Area Code)(Telephone Number)(Extension) (313)429-5167 (Fax Number)			

OFFICERS

Name	Title
Mark Saffer	President
Dan Champney	Secretary #

OTHERS

Allen A. Kessler CPA Mark H. Tucker MD

DIRECTORS OR TRUSTEES

Mark Saffer Dan Champney  
James Connelly John Lindsey

State of Michigan  
County of Wayne ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature) Mark Saffer	(Signature) Dan Champney	(Signature) Allen Kessler
(Printed Name) 1. President	(Printed Name) 2. Secretary	(Printed Name) 3. VP & Chief Financial Officer
(Title)	(Title)	(Title)
Subscribed and sworn to before me this day of , 2014	a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed 3. Number of pages attached	Yes[X] No[ ]   
(Notary Public Signature)		

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets (Cols.1-2)	Net Admitted Assets
1.	Bonds (Schedule D) .....	1,045,458		1,045,458	1,026,834
2.	Stocks (Schedule D)				
2.1	Preferred stocks .....				
2.2	Common Stocks .....				
3.	Mortgage loans on real estate (Schedule B):				
3.1	First liens .....				
3.2	Other than first liens .....				
4.	Real estate (Schedule A):				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....				
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....				
4.3	Properties held for sale (less \$.....0 encumbrances) .....				
5.	Cash (\$.....16,696,911, Schedule E Part 1), cash equivalents (\$.....0, Schedule E Part 2) and short-term investments (\$.....58,535,265, Schedule DA) .....	75,232,175		75,232,175	60,453,527
6.	Contract loans (including \$.....0 premium notes) .....				
7.	Derivatives (Schedule DB) .....				
8.	Other invested assets (Schedule BA) .....				
9.	Receivables for securities .....				
10.	Securities Lending Reinvested Collateral Assets (Schedule DL) .....				
11.	Aggregate write-ins for invested assets .....				
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....	76,277,634		76,277,634	61,480,361
13.	Title plants less \$.....0 charged off (for Title insurers only) .....				
14.	Investment income due and accrued .....	2,768		2,768	3,032
15.	Premiums and considerations:				
15.1	Uncollected premiums and agents' balances in the course of collection .....				1,101,898
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums) .....				
15.3	Accrued retrospective premiums .....				
16.	Reinsurance:				
16.1	Amounts recoverable from reinsurers .....	198,003		198,003	365,167
16.2	Funds held by or deposited with reinsured companies .....				
16.3	Other amounts receivable under reinsurance contracts .....				
17.	Amounts receivable relating to uninsured plans .....				
18.1	Current federal and foreign income tax recoverable and interest thereon .....	47,497		47,497	751,945
18.2	Net deferred tax asset .....	4,412,293	1,047,065	3,365,228	850,975
19.	Guaranty funds receivable or on deposit .....				
20.	Electronic data processing equipment and software .....	537,909	537,909		
21.	Furniture and equipment, including health care delivery assets (\$.....0) .....	129,595	129,595		
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....				
23.	Receivables from parent, subsidiaries and affiliates .....				
24.	Health care (\$.....1,646,784) and other amounts receivable .....	2,165,090		2,165,090	2,143,951
25.	Aggregate write-ins for other than invested assets .....	588,884	588,884		
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	84,359,674	2,303,454	82,056,220	66,697,328
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....				
28.	Total (Lines 26 and 27) .....	84,359,674	2,303,454	82,056,220	66,697,328
DETAILS OF WRITE-INS					
1101.	.....				
1102.	.....				
1103.	.....				
1198.	Summary of remaining write-ins for Line 11 from overflow page .....				
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....				
2501.	Prepaid Assets .....	588,884	588,884		
2502.	.....				
2503.	.....				
2598.	Summary of remaining write-ins for Line 25 from overflow page .....				
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	588,884	588,884		

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	37,042,412		37,042,412	31,669,847
2.	Accrued medical incentive pool and bonus amounts .....	860,377		860,377	1,056,313
3.	Unpaid claims adjustment expenses .....	958,626		958,626	917,403
4.	Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act .....				
5.	Aggregate life policy reserves .....				
6.	Property/casualty unearned premium reserves .....				
7.	Aggregate health claim reserves .....				
8.	Premiums received in advance .....				
9.	General expenses due or accrued .....	2,040,895		2,040,895	2,362,748
10.1	Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) .....				
10.2	Net deferred tax liability .....				
11.	Ceded reinsurance premiums payable .....				
12.	Amounts withheld or retained for the account of others .....				
13.	Remittances and items not allocated .....				
14.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current) .....				
15.	Amounts due to parent, subsidiaries and affiliates .....	125,665		125,665	978,098
16.	Derivatives .....				
17.	Payable for securities .....				
18.	Payable for securities lending .....				
19.	Funds held under reinsurance treaties (with \$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers) .....				
20.	Reinsurance in unauthorized and certified (\$.....0) companies .....				
21.	Net adjustments in assets and liabilities due to foreign exchange rates .....				
22.	Liability for amounts held under uninsured plans .....	231,000		231,000	
23.	Aggregate write-ins for other liabilities (including \$.....0 current) .....	9,396,663		9,396,663	2,890,502
24.	TOTAL Liabilities (Lines 1 to 23) .....	50,655,639		50,655,639	39,874,911
25.	Aggregate write-ins for special surplus funds .....	X X X	X X X		
26.	Common capital stock .....	X X X	X X X	186,230	186,230
27.	Preferred capital stock .....	X X X	X X X		
28.	Gross paid in and contributed surplus .....	X X X	X X X	33,770	33,770
29.	Surplus notes .....	X X X	X X X		
30.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X		
31.	Unassigned funds (surplus) .....	X X X	X X X	31,180,581	26,602,417
32.	Less treasury stock, at cost:				
32.1	.....0 shares common (value included in Line 26 \$.....0) .....	X X X	X X X		
32.2	.....0 shares preferred (value included in Line 27 \$.....0) .....	X X X	X X X		
33.	TOTAL Capital and Surplus (Lines 25 to 31 minus Line 32) .....	X X X	X X X	31,400,581	26,822,417
34.	TOTAL Liabilities, Capital and Surplus (Lines 24 and 33) .....	X X X	X X X	82,056,220	66,697,328
DETAILS OF WRITE-INS					
2301.	Contingent Liability - State Tax Refunds .....	9,396,663		9,396,663	2,890,502
2302.	.....				
2303.	.....				
2398.	Summary of remaining write-ins for Line 23 from overflow page .....				
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	9,396,663		9,396,663	2,890,502
2501.	.....	X X X	X X X		
2502.	.....	X X X	X X X		
2503.	.....	X X X	X X X		
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	X X X	X X X		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	X X X	X X X		
3001.	.....	X X X	X X X		
3002.	.....	X X X	X X X		
3003.	.....	X X X	X X X		
3098.	Summary of remaining write-ins for Line 30 from overflow page .....	X X X	X X X		
3099.	TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above) .....	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	959,982	945,228
2.	Net premium income (including \$.....0 non-health premium income) .....	X X X .....	295,160,840	275,142,049
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....		
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....		
5.	Risk revenue .....	X X X .....		
6.	Aggregate write-ins for other health care related revenues .....	X X X .....	(580,645)	(644,741)
7.	Aggregate write-ins for other non-health revenues .....	X X X .....		
8.	TOTAL Revenues (Lines 2 to 7) .....	X X X .....	294,580,195	274,497,308
Hospital and Medical:				
9.	Hospital/medical benefits .....		186,597,573	168,933,050
10.	Other professional services .....		16,653,205	15,749,933
11.	Outside referrals .....		3,491,915	2,088,728
12.	Emergency room and out-of-area .....		17,208,425	16,534,784
13.	Prescription drugs .....		33,185,508	33,303,716
14.	Aggregate write-ins for other hospital and medical .....			
15.	Incentive pool, withhold adjustments and bonus amounts .....		2,583,355	4,174,500
16.	Subtotal (Lines 9 to 15) .....		259,719,979	240,784,711
Less:				
17.	Net reinsurance recoveries .....		297,799	392,359
18.	TOTAL Hospital and Medical (Lines 16 minus 17) .....		259,422,180	240,392,352
19.	Non-health claims (net) .....			
20.	Claims adjustment expenses, including \$.....1,495,135 cost containment expenses .....		3,657,902	3,311,601
21.	General administrative expenses .....		15,200,497	17,388,122
22.	Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only) .....			
23.	TOTAL Underwriting Deductions (Lines 18 through 22) .....		278,280,579	261,092,074
24.	Net underwriting gain or (loss) (Lines 8 minus 23) .....	X X X .....	16,299,616	13,405,234
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17) .....		24,723	19,070
26.	Net realized capital gains (losses) less capital gains tax of \$.....0 .....			
27.	Net investment gains (losses) (Lines 25 plus 26) .....		24,723	19,070
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....			
29.	Aggregate write-ins for other income or expenses .....			
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	X X X .....	16,324,339	13,424,304
31.	Federal and foreign income taxes incurred .....	X X X .....	6,884,407	6,319,962
32.	Net income (loss) (Lines 30 minus 31) .....	X X X .....	9,439,932	7,104,342
DETAILS OF WRITE-INS				
0601.	Revenue-Other .....	X X X .....	253,793	206,641
0602.	Management Fee Income .....	X X X .....	491,388	470,000
0603.	Child & Adolescent Health Center Fee .....	X X X .....	(1,325,827)	(1,333,599)
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....		12,217
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	(580,645)	(644,741)
0701.	.....	X X X .....		
0702.	.....	X X X .....		
0703.	.....	X X X .....		
0798.	Summary of remaining write-ins for Line 7 from overflow page .....	X X X .....		
0799.	TOTALS (Line 0701 through 0703 plus 0798) (Line 7 above) .....	X X X .....		
1401.	.....			
1402.	.....			
1403.	.....			
1498.	Summary of remaining write-ins for Line 14 from overflow page .....			
1499.	TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above) .....			
2901.	.....			
2902.	.....			
2903.	.....			
2998.	Summary of remaining write-ins for Line 29 from overflow page .....			
2999.	TOTALS (Line 2901 through 2903 plus 2998) (Line 29 above) .....			

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
33.	Capital and surplus prior reporting year .....	26,822,417	19,087,867
34.	Net income or (loss) from Line 32 .....	9,439,932	7,104,342
35.	Change in valuation basis of aggregate policy and claim reserves .....		
36.	Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 .....		
37.	Change in net unrealized foreign exchange capital gain or (loss) .....		
38.	Change in net deferred income tax .....	1,700,850	1,634,326
39.	Change in nonadmitted assets .....	541,383	(1,004,119)
40.	Change in unauthorized and certified reinsurance .....		
41.	Change in treasury stock .....		
42.	Change in surplus notes .....		
43.	Cumulative effect of changes in accounting principles .....		
44.	Capital Changes:		
44.1	Paid in .....		
44.2	Transferred from surplus (Stock Dividend) .....		
44.3	Transferred to surplus .....		
45.	Surplus adjustments:		
45.1	Paid in .....		
45.2	Transferred to capital (Stock Dividend) .....		
45.3	Transferred from capital .....		
46.	Dividends to stockholders .....	(7,104,000)	
47.	Aggregate write-ins for gains or (losses) in surplus .....		
48.	Net change in capital and surplus (Lines 34 to 47) .....	4,578,165	7,734,550
49.	Capital and surplus end of reporting year (Line 33 plus 48) .....	31,400,581	26,822,417
DETAILS OF WRITE-INS			
4701.	.....		
4702.	.....		
4703.	.....		
4798.	Summary of remaining write-ins for Line 47 from overflow page .....		
4799.	TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above) .....		

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance .....	296,262,738	275,340,151
2.	Net investment income .....	29,353	20,095
3.	Miscellaneous income .....	(580,645)	(644,741)
4.	Total (Lines 1 through 3) .....	295,711,446	274,715,505
5.	Benefit and loss related payments .....	254,078,387	236,119,673
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts .....		
7.	Commissions, expenses paid and aggregate write-ins for deductions .....	18,677,498	19,776,818
8.	Dividends paid to policyholders .....		
9.	Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) .....	6,180,076	6,808,348
10.	Total (Lines 5 through 9) .....	278,935,961	262,704,838
11.	Net cash from operations (Line 4 minus Line 10) .....	16,775,485	12,010,667
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds .....	1,025,000	1,025,000
12.2	Stocks .....		
12.3	Mortgage loans .....		
12.4	Real estate .....		
12.5	Other invested assets .....		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments .....		
12.7	Miscellaneous proceeds .....		
12.8	Total investment proceeds (Lines 12.1 to 12.7) .....	1,025,000	1,025,000
13.	Cost of investments acquired (long-term only):		
13.1	Bonds .....	1,047,991	1,027,255
13.2	Stocks .....		
13.3	Mortgage loans .....		
13.4	Real estate .....		
13.5	Other invested assets .....		
13.6	Miscellaneous applications .....		
13.7	Total investments acquired (Lines 13.1 to 13.6) .....	1,047,991	1,027,255
14.	Net increase (decrease) in contract loans and premium notes .....		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14) .....	(22,991)	(2,255)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes .....		
16.2	Capital and paid in surplus, less treasury stock .....		
16.3	Borrowed funds .....		
16.4	Net deposits on deposit-type contracts and other insurance liabilities .....		
16.5	Dividends to stockholders .....	7,104,000	
16.6	Other cash provided (applied) .....	5,130,154	1,639,176
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6) .....	(1,973,846)	1,639,176
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	14,778,648	13,647,587
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year .....	60,453,527	46,805,940
19.2	End of year (Line 18 plus Line 19.1) .....	75,232,175	60,453,527

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001	.....		
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ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1	2	3	4	5	6	7	8	9	10
		Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1.	Net premium income .....	295,160,840	1,481,261					9,317,037	284,362,542		
2.	Change in unearned premium reserves and reserve for rate credit .....										
3.	Fee-for-service (net of \$.....0 medical expenses) .....										X X X .....
4.	Risk revenue .....										X X X .....
5.	Aggregate write-ins for other health care related revenues .....	(580,645)							(580,645)		X X X .....
6.	Aggregate write-ins for other non-health care related revenues .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
7.	TOTAL Revenues (Lines 1 to 6) .....	294,580,195	1,481,261					9,317,037	283,781,897		
8.	Hospital/medical benefits .....	186,597,573	426,286					4,199,827	181,971,459		X X X .....
9.	Other professional services .....	16,653,205	85,725					1,653,742	14,913,739		X X X .....
10.	Outside referrals .....	3,491,915	19,228					102,414	3,370,273		X X X .....
11.	Emergency room and out-of-area .....	17,208,425	83,875					500,219	16,624,331		X X X .....
12.	Prescription drugs .....	33,185,508	256,405					2,451,619	30,477,484		X X X .....
13.	Aggregate write-ins for other hospital and medical .....										X X X .....
14.	Incentive pool, withhold adjustments and bonus amounts .....	2,583,355						4,000	2,579,355		X X X .....
15.	Subtotal (Lines 8 to 14) .....	259,719,979	871,518					8,911,821	249,936,640		X X X .....
16.	Net reinsurance recoveries .....	297,799							297,799		X X X .....
17.	TOTAL Hospital and Medical (Lines 15 minus 16) .....	259,422,180	871,518					8,911,821	249,638,841		X X X .....
18.	Non-health claims (net) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
19.	Claims adjustment expenses including \$.....1,495,135 cost containment expenses .....	3,657,902	31,699					341,026	3,285,177		
20.	General administrative expenses .....	15,200,497	139,194					1,453,189	13,608,114		
21.	Increase in reserves for accident and health contracts .....										X X X .....
22.	Increase in reserves for life contracts .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
23.	TOTAL Underwriting Deductions (Lines 17 to 22) .....	278,280,579	1,042,412					10,706,035	266,532,133		
24.	Net underwriting gain or (loss) (Line 7 minus Line 23) .....	16,299,616	438,849					(1,388,998)	17,249,765		
DETAILS OF WRITE-INS											
0501.	Revenue - Other .....	253,793							253,793		X X X .....
0502.	Management Fee Income - Related Party .....	491,388							491,388		X X X .....
0503.	Child & Adolescent Health Center Fee .....	(1,325,827)							(1,325,827)		X X X .....
0598.	Summary of remaining write-ins for Line 5 from overflow page .....										X X X .....
0599.	TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	(580,645)							(580,645)		X X X .....
0601.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0602.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0603.	.....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0698.	Summary of remaining write-ins for Line 6 from overflow page .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....		X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	
1301.	.....										X X X .....
1302.	.....										X X X .....
1303.	.....										X X X .....
1398.	Summary of remaining write-ins for Line 13 from overflow page .....										X X X .....
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....										X X X .....

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 1 - PREMIUMS

		1	2	3	4
		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
Line of Business					
1.	Comprehensive (hospital and medical) .....	1,487,474		6,213	1,481,261
2.	Medicare Supplement .....				
3.	Dental only .....				
4.	Vision only .....				
5.	Federal Employees Health Benefits Plan .....				
6.	Title XVIII - Medicare .....	9,359,159		42,122	9,317,037
7.	Title XIX - Medicaid .....	285,237,758		875,216	284,362,542
8.	Other health .....				
9.	Health subtotal (Lines 1 through 8) .....	296,084,391		923,550	295,160,840
10.	Life .....				
11.	Property/casualty .....				
12.	TOTALS (Lines 9 to 11) .....	296,084,391		923,550	295,160,840



UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2 - CLAIMS INCURRED DURING THE YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Comprehensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Payments during the year:										
1.1 Direct .....	251,535,564	674,935					8,481,106	242,379,522		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	251,535,564	674,935					8,481,106	242,379,522		
2. Paid medical incentive pools and bonuses .....	2,779,291						20,987	2,758,303		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct .....	37,042,412	292,375					1,626,285	35,123,752		
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....	37,042,412	292,375					1,626,285	35,123,752		
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct .....										
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....										
5. Accrued medical incentive pools and bonuses, current year .....	860,377						32,926	827,452		
6. Net healthcare receivables (a) .....	(228,496)	(176)					(47,575)	(180,744)		
7. Amounts recoverable from reinsurers December 31, current year ..	198,003							198,003		
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct .....	31,669,846	95,968					1,247,049	30,326,829		
8.2 Reinsurance assumed .....										
8.3 Reinsurance ceded .....										
8.4 Net .....	31,669,846	95,968					1,247,049	30,326,829		
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct .....										
9.2 Reinsurance assumed .....										
9.3 Reinsurance ceded .....										
9.4 Net .....										
10. Accrued medical incentive pools and bonuses, prior year .....	1,056,313						53,773	1,002,541		
11. Amounts recoverable from reinsurers December 31, prior year .....	365,167							365,167		
12. Incurred benefits:										
12.1 Direct .....	257,136,625	871,518					8,907,917	247,357,190		
12.2 Reinsurance assumed .....										
12.3 Reinsurance ceded .....	(167,164)							(167,164)		
12.4 Net .....	257,303,789	871,518					8,907,917	247,524,354		
13. Incurred medical incentive pools and bonuses .....	2,583,355						140	2,583,215		

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1	2	3	4	5	6	7	8	9	10
	Total	Compre- hensive (Hospital & Medical)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan	Title XVIII Medicare	Title XIX Medicaid	Other Health	Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct .....	12,460,044	24,367					10,266	12,425,411		
1.2 Reinsurance assumed .....										
1.3 Reinsurance ceded .....										
1.4 Net .....	12,460,044	24,367					10,266	12,425,411		
2. Incurred but Unreported:										
2.1 Direct .....	24,582,368	268,008					1,616,019	22,698,341		
2.2 Reinsurance assumed .....										
2.3 Reinsurance ceded .....										
2.4 Net .....	24,582,368	268,008					1,616,019	22,698,341		
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct .....										
3.2 Reinsurance assumed .....										
3.3 Reinsurance ceded .....										
3.4 Net .....										
4. TOTALS										
4.1 Direct .....	37,042,412	292,375					1,626,285	35,123,752		
4.2 Reinsurance assumed .....										
4.3 Reinsurance ceded .....										
4.4 Net .....	37,042,412	292,375					1,626,285	35,123,752		

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE

Line of Business		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (hospital and medical) .....	46,884	628,228	9,084	283,291	55,968	95,968
2.	Medicare Supplement .....						
3.	Dental only .....						
4.	Vision only .....						
5.	Federal Employees Health Benefits Plan .....						
6.	Title XVIII - Medicare .....	1,253,280	7,275,402	46,582	1,579,703	1,299,862	1,247,146
7.	Title XIX - Medicaid .....	27,648,642	214,810,608	670,351	34,453,401	28,318,993	30,326,733
8.	Other health .....						
9.	Health subtotal (Lines 1 to 8) .....	28,948,806	222,714,238	726,017	36,316,395	29,674,823	31,669,847
10.	Healthcare receivables (a) .....		196,784				
11.	Other non-health .....						
12.	Medical incentive pool and bonus amounts .....	926,359	1,852,931		860,377	926,359	1,056,313
13.	TOTALS (Lines 9 - 10 + 11 + 12) .....	29,875,165	224,370,386	726,017	37,176,772	30,601,182	32,726,160

(a) Excludes \$.00 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Grand Total

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	14,579	14,718	14,706	14,701	14,701
2.	2009 .....	167,209	181,192	182,171	182,192	182,193
3.	2010 .....	X X X	176,203	199,809	199,898	199,932
4.	2011 .....	X X X	X X X	190,686	213,813	214,469
5.	2012 .....	X X X	X X X	X X X	210,542	246,309
6.	2013 .....	X X X	X X X	X X X	X X X	224,948

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	14,784	14,718	14,706	14,701	14,701
2.	2009 .....	189,112	181,518	182,171	182,192	182,193
3.	2010 .....	X X X	201,608	200,670	199,898	199,932
4.	2011 .....	X X X	X X X	218,024	214,633	214,469
5.	2012 .....	X X X	X X X	X X X	242,448	247,035
6.	2013 .....	X X X	X X X	X X X	X X X	262,158

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2009 .....	227,020	182,193			182,193	80.254			182,193	80.254
2.	2010 .....	248,357	199,932			199,932	80.502			199,932	80.502
3.	2011 .....	265,693	214,469			214,469	80.721			214,469	80.721
4.	2012 .....	274,497	246,309			246,309	89.731	726		247,035	89.995
5.	2013 .....	294,580	224,948			224,948	76.362	37,210	959	263,116	89.319

12 Total

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)  
Hospital and Medical  
Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....					
2.	2009 .....					
3.	2010 .....	X X X .....				
4.	2011 .....	X X X .....	X X X .....	82 .....	134 .....	133 .....
5.	2012 .....	X X X .....	X X X .....	X X X .....	330 .....	377 .....
6.	2013 .....	X X X .....	X X X .....	X X X .....	X X X .....	628 .....

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....					
2.	2009 .....					
3.	2010 .....	X X X .....				
4.	2011 .....	X X X .....	X X X .....	97 .....	137 .....	133 .....
5.	2012 .....	X X X .....	X X X .....	X X X .....	423 .....	386 .....
6.	2013 .....	X X X .....	X X X .....	X X X .....	X X X .....	912 .....

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2009 .....										
2.	2010 .....										
3.	2011 .....	204 .....	133 .....			133 .....	65.317 .....			133 .....	65.317 .....
4.	2012 .....	639 .....	377 .....			377 .....	59.022 .....	9 .....		386 .....	60.443 .....
5.	2013 .....	1,481 .....	628 .....			628 .....	42.412 .....	283 .....		912 .....	61.537 .....

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Medicare Supplement . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Medicare Supplement . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP . . . . .	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP . . . . .	NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XVIII - Medicare

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	350	379	379	379	379
2.	2009 .....	3,158	3,564	3,576	3,576	3,576
3.	2010 .....	X X X	3,564	4,089	4,099	4,099
4.	2011 .....	X X X	X X X	3,419	3,962	3,949
5.	2012 .....	X X X	X X X	X X X	4,729	5,995
6.	2013 .....	X X X	X X X	X X X	X X X	7,296

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	350	379	379	379	379
2.	2009 .....	3,158	3,564	3,576	3,576	3,576
3.	2010 .....	X X X	3,504	4,182	4,099	4,099
4.	2011 .....	X X X	X X X	3,950	4,030	3,949
5.	2012 .....	X X X	X X X	X X X	5,958	6,042
6.	2013 .....	X X X	X X X	X X X	X X X	8,908

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2009 .....	4,497	3,576			3,576	79.513			3,576	79.513
2.	2010 .....	6,105	4,099			4,099	67.137			4,099	67.137
3.	2011 .....	5,615	3,949			3,949	70.331			3,949	70.331
4.	2012 .....	8,182	5,995			5,995	73.271	47		6,042	73.841
5.	2013 .....	9,317	7,296			7,296	78.305	1,613		8,908	95.613

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS (000 Omitted)

Title XIX - Medicaid

Section A - Paid Health Claims

Year in Which Losses Were Incurred		Cumulative Net Amounts Paid				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	14,229	14,339	14,328	14,322	14,322
2.	2009 .....	164,051	177,628	178,595	178,617	178,617
3.	2010 .....	X X X	172,639	195,720	195,799	195,834
4.	2011 .....	X X X	X X X	187,186	209,716	210,387
5.	2012 .....	X X X	X X X	X X X	205,483	239,937
6.	2013 .....	X X X	X X X	X X X	X X X	217,024

Section B - Incurred Health Claims

Year in Which Losses Were Incurred		Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
		1 2009	2 2010	3 2011	4 2012	5 2013
1.	Prior .....	14,433	14,339	14,328	14,322	14,322
2.	2009 .....	185,954	177,954	178,595	178,617	178,617
3.	2010 .....	X X X	198,105	196,489	195,799	195,834
4.	2011 .....	X X X	X X X	213,978	210,466	210,387
5.	2012 .....	X X X	X X X	X X X	236,067	240,607
6.	2013 .....	X X X	X X X	X X X	X X X	252,338

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	2009 .....	222,522	178,617			178,617	80.269			178,617	80.269
2.	2010 .....	242,252	195,834			195,834	80.839			195,834	80.839
3.	2011 .....	259,873	210,387			210,387	80.957			210,387	80.957
4.	2012 .....	265,676	239,937			239,937	90.312	670		240,607	90.564
5.	2013 .....	283,782	217,024			217,024	76.476	35,314	959	253,296	89.257



12 Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other ..... NONE

12 Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other ..... NONE

13 Underwriting Invest Exh Pt 2D - A & H Reserve ..... NONE

UNDERWRITING AND INVESTMENT EXHIBIT  
PART 3 - ANALYSIS OF EXPENSES

		Claim Adjustment Expenses		3	4	5
		1	2			
		Cost Containment Expenses	Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building) .....		346,000	345,851		691,851
2.	Salaries, wages and other benefits .....	1,354,040	659,325	6,737,243		8,750,608
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .....					
4.	Legal fees and expenses .....			2,635		2,635
5.	Certifications and accreditation fees .....		9,000	81,708		90,708
6.	Auditing, actuarial and other consulting services .....		95,000	421,759		516,759
7.	Traveling expenses .....	4,200	9,800	222,638		236,638
8.	Marketing and advertising .....	35,000	10,000	455,204		500,204
9.	Postage, express and telephone .....		81,000	256,699		337,699
10.	Printing and office supplies .....		47,500	158,847		206,347
11.	Occupancy, depreciation and amortization .....			57,069		57,069
12.	Equipment .....					
13.	Cost or depreciation of EDP equipment and software .....		200,000	564,293		764,293
14.	Outsourced services including EDP, claims, and other services .....	101,895	448,392	2,502,187		3,052,474
15.	Boards, bureaus and association fees .....					
16.	Insurance, except on real estate .....		1,750	7,171		8,921
17.	Collection and bank service charges .....			11,534		11,534
18.	Group service and administration fees .....					
19.	Reimbursements by uninsured plans .....					
20.	Reimbursements from fiscal intermediaries .....					
21.	Real estate expenses .....					
22.	Real estate taxes .....			16,119		16,119
23.	Taxes, licenses and fees:					
23.1	State and local insurance taxes .....			2,774,203		2,774,203
23.2	State premium taxes .....					
23.3	Regulatory authority licenses and fees .....			328,889		328,889
23.4	Payroll taxes .....		255,000	256,450		511,450
23.5	Other (excluding federal income and real estate taxes) .....					
24.	Investment expenses not included elsewhere .....					
25.	Aggregate write-ins for expenses .....					
26.	TOTAL Expenses Incurred (Lines 1 to 25) .....	1,495,135	2,162,767	15,200,497		(a) 18,858,399
27.	Less expenses unpaid December 31, current year .....			2,040,895		2,040,895
28.	Add expenses unpaid December 31, prior year .....			2,362,748		2,362,748
29.	Amounts receivable relating to uninsured plans, prior year .....					
30.	Amounts receivable relating to uninsured plans, current year .....					
31.	TOTAL Expenses Paid (Lines 26 minus 27 plus 28 minus 29 plus 30) .....	1,495,135	2,162,767	15,522,350		19,180,252
DETAILS OF WRITE-INS						
2501.	.....					
2502.	.....					
2503.	.....					
2598.	Summary of remaining write-ins for Line 25 from overflow page .....					
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....					

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. Government bonds .....	(a)..... 13,453	..... 453
1.1	Bonds exempt from U.S. tax .....	(a).....	.....
1.2	Other bonds (unaffiliated) .....	(a).....	.....
1.3	Bonds of affiliates .....	(a).....	.....
2.1	Preferred stocks (unaffiliated) .....	(b).....	.....
2.11	Preferred stocks of affiliates .....	(b).....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c).....	.....
4.	Real estate .....	(d).....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e)..... 24,437	..... 24,271
7.	Derivative instruments .....	(f).....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 37,891	..... 24,723
11.	Investment expenses .....	(g).....	
12.	Investment taxes, licenses and fees, excluding federal income taxes .....	(g).....	
13.	Interest expense .....	(h).....	
14.	Depreciation on real estate and other invested assets .....	(i).....	
15.	Aggregate write-ins for deductions from investment income .....	.....	
16.	Total deductions (Lines 11 through 15) .....	.....	
17.	Net Investment income (Line 10 minus Line 16) .....	..... 24,723	
DETAILS OF WRITE-INS			
0901.	.....	.....	.....
0902.	.....	.....	.....
0903.	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....
1501.	.....	.....	.....
1502.	.....	.....	.....
1503.	.....	.....	.....
1598.	Summary of remaining write-ins for Line 15 from overflow page .....	.....	.....
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above) .....	.....	.....
(a) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.			
(b) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued dividends on purchases.			
(c) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.			
(d) Includes \$.0 for company's occupancy of its own buildings; and excludes \$.0 interest on encumbrances.			
(e) Includes \$.0 accrual of discount less \$.0 amortization of premium and less \$.0 paid for accrued interest on purchases.			
(f) Includes \$.0 accrual of discount less \$.0 amortization of premium.			
(g) Includes \$.0 investment expenses and \$.0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.			
(h) Includes \$.0 interest on surplus notes and \$.0 interest on capital notes.			
(i) Includes \$.0 depreciation on real estate and \$.0 depreciation on other invested assets.			

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Total Realized Capital Gain (Loss) (Columns 1 + 2)	Change in Unrealized Capital Gain (Loss)	Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds .....	.....	.....	.....	.....	.....
1.1	Bonds exempt from U.S. tax .....	.....	.....	.....	.....	.....
1.2	Other bonds (unaffiliated) .....	.....	.....	.....	.....	.....
1.3	Bonds of affiliates .....	.....	.....	.....	.....	.....
2.1	Preferred stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.11	Preferred stocks of affiliates .....	.....	.....	.....	.....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....	.....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....	.....	.....	.....
3.	Mortgage loans .....	.....	.....	.....	.....	.....
4.	Real estate .....	.....	.....	.....	.....	.....
5.	Contract loans .....	.....	.....	.....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	.....	.....	.....	.....	.....
7.	Derivative instruments .....	.....	.....	.....	.....	.....
8.	Other invested assets .....	.....	.....	.....	.....	.....
9.	Aggregate write-ins for capital gains (losses) .....	.....	.....	.....	.....	.....
10.	Total capital gains (losses) .....	.....	.....	.....	.....	.....
DETAILS OF WRITE-INS						
0901.	.....	.....	.....	.....	.....	.....
0902.	.....	.....	.....	.....	.....	.....
0903.	.....	.....	.....	.....	.....	.....
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	.....	.....	.....	.....	.....
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) .....	.....	.....	.....	.....	.....

EXHIBIT OF NONADMITTED ASSETS

		1	2	3
		Current Year Total Nonadmitted Assets	Prior Year Total Nonadmitted Assets	Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D) .....			
2.	Stocks (Schedule D):			
2.1	Preferred stocks .....			
2.2	Common stocks .....			
3.	Mortgage loans on real estate (Schedule B):			
3.1	First liens .....			
3.2	Other than first liens .....			
4.	Real estate (Schedule A):			
4.1	Properties occupied by the company .....			
4.2	Properties held for the production of income .....			
4.3	Properties held for sale .....			
5.	Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA) .....			
6.	Contract loans .....			
7.	Derivatives (Schedule DB) .....			
8.	Other invested assets (Schedule BA) .....			
9.	Receivables for securities .....			
10.	Securities lending reinvested collateral assets (Schedule DL) .....			
11.	Aggregate write-ins for invested assets .....			
12.	Subtotals, cash and invested assets (Lines 1 to 11) .....			
13.	Title plants (for Title insurers only) .....			
14.	Invested income due and accrued .....			
15.	Premium and considerations:			
15.1	Uncollected premiums and agents' balances in the course of collection .....			
15.2	Deferred premiums, agents' balances and installments booked but deferred and not yet due .....			
15.3	Accrued retrospective premiums .....			
16.	Reinsurance:			
16.1	Amounts recoverable from reinsurers .....			
16.2	Funds held by or deposited with reinsured companies .....			
16.3	Other amounts receivable under reinsurance contracts .....			
17.	Amounts receivable relating to uninsured plans .....			
18.1	Current federal and foreign income tax recoverable and interest thereon .....			
18.2	Net deferred tax asset .....	1,047,065	1,860,352	813,286
19.	Guaranty funds receivable or on deposit .....			
20.	Electronic data processing equipment and software .....	537,909	332,551	(205,358)
21.	Furniture and equipment, including health care delivery assets .....	129,595	166,554	36,958
22.	Net adjustment in assets and liabilities due to foreign exchange rates .....			
23.	Receivables from parent, subsidiaries and affiliates .....			
24.	Health care and other amounts receivable .....			
25.	Aggregate write-ins for other than invested assets .....	588,884	485,381	(103,504)
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	2,303,454	2,844,837	541,383
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			
28.	Total (Lines 26 and 27) .....	2,303,454	2,844,837	541,383
DETAILS OF WRITE-INS				
1101.	.....			
1102.	.....			
1103.	.....			
1198.	Summary of remaining write-ins for Line 11 from overflow page .....			
1199.	TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above) .....			
2501.	Prepaid Assets .....	588,884	485,381	(103,504)
2502.	.....			
2503.	.....			
2598.	Summary of remaining write-ins for Line 25 from overflow page .....			
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) .....	588,884	485,381	(103,504)

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	82,326	80,531	79,687	79,002	79,419	959,982
2.	Provider Service Organizations .....						
3.	Preferred Provider Organizations .....						
4.	Point of Service .....						
5.	Indemnity Only .....						
6.	Aggregate write-ins for other lines of business .....						
7.	TOTAL .....	82,326	80,531	79,687	79,002	79,419	959,982
DETAILS OF WRITE-INS							
0601.	.....						
0602.	.....						
0603.	.....						
0698.	Summary of remaining write-ins for Line 6 from overflow page .....						
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....						

Notes to Financial Statements

1. Summary of Significant Accounting Policies

A. Accounting Practices

The accompanying financial statements of Midwest Health Plan, Inc. (Plan) have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual (NAPPM) and the NAIC Annual Statement Instructions (NASI) to the extent that these accounting practices, procedures and reporting standards are not modified by accounting practices prescribed or permitted by the State of Michigan Department of Insurance and Financial Services (DIFS).

DIFS recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining the financial condition and results of operation of an insurance company. The NAPPM has been adopted as a component of prescribed or permitted practices by DIFS.

A reconciliation of the Plan's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the State of Michigan is shown below:

NET INCOME	State of Domicile	2013	2012
(1) MHP State Basis (Page 4, Line 32, Columns 2 & 3)	Michigan	\$9,439,932	\$7,104,342
(2) State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(3) State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(4) NAIC SAP (1-2-3=4)	Michigan	<u>\$9,439,932</u>	<u>\$7,104,342</u>
SURPLUS			
(5) MHP State Basis (Page 3, Line 33, Columns 3&4)	Michigan	\$31,400,581	\$26,822,417
(6) State Prescribed Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(7) State Permitted Practices that increase/(decrease) NAIC SAP: NONE	Michigan		
(8) NAIC SAP (5-6-7=8)	Michigan	<u>\$31,400,581</u>	<u>\$26,822,417</u>

Financial statements prepared on the statutory basis vary in some respects from those prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), and in some cases, those differences may be material. The significant accounting principles, as outlined above, were followed in the preparation of the statutory basis financial statements. Had the financial statements been prepared in accordance with the accounting principles generally accepted in the United States of America, the following differences would have been noted:

- Certain assets are "non-admitted" and are charged against surplus, such as prepaid expenses, electronic data processing equipment and software, furniture and deferred tax assets.
- Purchase Price Accounting (Goodwill and Other Intangibles) Assets, amortization and associated Deferred Taxes are recorded on the acquired company's GAAP financial statements. Our parent corporation, HAP, has accounted for its investment in the Plan in accordance with Statement of Statutory Accounting Principles (SSAP) No 68, *Business Combinations and Goodwill*.
- Deferred income taxes are admitted in accordance with Statement of Statutory Accounting Principle (SSAP) No. 101, Income Taxes, a Replacement of SSAP No. 10R and SSAP No. 10 effective January 1, 2012. Changes in deferred income taxes are credited or charged directly to unassigned surplus as opposed to income tax expense.
- The classification of items included in the Statements of Cash Flows - statutory basis differs from GAAP.
- The disclosures required by the statutory basis differ from GAAP.

B. Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by DIFS require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Accounting Policy

The Plan operates under a capitated Medicaid contract and a MiChild contract with the Michigan Department of Community Health (MDCH). In addition, the Plan has a contract with the Centers for Medicare and Medicaid Services (CMS) for Medicare beneficiaries. For the years ended December 31, 2013 and 2012, these contracts provided the majority of the Plan's operating revenues. Revenue is recognized during the month in which coverage for enrolled members is in effect. Amounts receivable or payable as a result of the contract reconciliation process are recorded in the year known or a reasonable estimate is determinable

1. Short-term investments are stated at amortized cost. Cash Equivalents have been accounted for in accordance with SSAP No. 2. All highly liquid investments with original maturities of three months or less are classified as cash equivalents.
2. Bonds - As a condition of licensure with the State of Michigan, the Plan is required to maintain a minimum deposit of \$1,000,000 in a segregated and restricted account. These funds can only be used by the Plan at the direction of the Commissioner. The deposited amounts are invested in a U.S. Treasury Note and stated at amortized cost. Interest on this security accrues to the Plan.

# Notes to Financial Statements

- 3. Common Stocks – Not applicable
- 4. Preferred Stocks – Not applicable
- 5. Mortgage Loans – Not applicable
- 6. Loan –backed securities – Not applicable
- 7. Investments in Subsidiaries, controlled and affiliated companies – Not applicable
- 8. Investments in Joint Ventures, partnerships and limited liability companies – Not applicable
- 9. Derivatives – Not applicable
- 10. The Company was not required to record a premium deficiency reserve at December 31, 2013.
- 11. The Plan’s method of estimating liabilities for unpaid medical claims are based on past experience, for claims incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
- 12. Capitalization policy – No modification of capitalization policy
- 13. Pharmaceutical/Rebates Receivable – The plan recognizes pharmacy rebates/reimbursements when the amounts are known or a reasonable estimate is determinable.

**2. Accounting Change and Correction of Errors**

The Plan had no accounting changes or correction of errors.

**3. Business Combination and Goodwill**

- A. Statutory Purchase Method- Not applicable
- B. Statutory Merger- Not applicable
- C. Assumption Reinsurance- Not applicable
- D. Impairment Loss- Not applicable

**4. Discontinued Operations**

The Plan had no discontinued operations.

**5. Investments**

- A. Mortgage Loans – Not applicable
- B. Debt Restructuring – Not applicable
- C. Reverse Mortgages – Not applicable
- D. Loan-Backed Securities– Not applicable
- E. Repurchase Agreements – Not applicable
- F. Real Estate – Not applicable
- G. Investment in Low-Income Housing Tax Credits – Not applicable

Notes to Financial Statements

H. Restricted Assets

Restricted Asset Category	1	2	3	4	5	6
	Total Gross Restricted from Current Year	Total Gross Restricted From Prior Year	Increase/ (Decrease) (1 minus 2)	Total Current Year Admitted Restricted	Percentage Gross Restricted to Total Assets	Percentage Admitted Restricted to Total Admitted Assets
a. Subject to contractual obligation for which liability is not shown						
b. Collateral held under security lending agreements						
c. Subject to repurchase agreements Subject to reverse repurchase						
d. agreements						
e. Subject to dollar repurchase agreements Subject to dollar reverse repurchase						
f. agreements						
g. Placed under option contracts Letter stock or securities restricted as to						
h. sale						
i. On deposit with states	1,045,458	1,026,834	18,625	1,045,458	1.21%	1.26%
j. On deposit with other regulatory bodies Pledged as collateral not captured in						
k. other categories						
l. Other restricted assets						
m. Total Restricted Assets	1,045,458	1,026,834	18,625	1,045,458	1.21%	1.26%

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Plan has no investments in Joint Ventures, Partnerships, or limited Liability Companies that exceed 10% of its admitted assets
- B. The Plan did not recognize any impairment write down for investments in Joint Ventures, Partnerships and, Limited Liability Companies during the Statement Periods.

7. Investment Income

The Plan had no excluded investment income.

8. Derivative Instruments

The Plan had no derivative instruments.

9. Income Taxes

The Plan has recognized an admitted net Deferred Tax Asset (DTA) of \$3,365,228 and \$850,975 as of December 31, 2013 and 2012, respectively. The DTA is the result of cumulative temporary timing differences that exist between amounts presented in the statutory basis financial statements and amounts reportable for income tax purposes.

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.	12/31/2013		
	1	2	3
	Ordinary	Capital	(Col 1+2) Total
(a) Gross Deferred Tax Assets	4,647,881		4,647,881
(b) Statutory Valuation Allowance Adjustments	0		0
(c)Adjusted Gross Deferred Tax Assets (1a - 1b)	4,647,881		4,647,881
(d) Deferred Tax Assets Nonadmitted	1,047,065		1,047,065
(e)Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	3,600,816		3,600,816
(f) Deferred Tax Liabilities	(235,588)		(235,588)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	3,365,110		3,365,110



Notes to Financial Statements

1.

12/31/2012		
4	5	6
Ordinary	Capital	(Col 4+5) Total
(a) Gross Deferred Tax Assets	2,887,636	2,887,636
(b) Statutory Valuation Allowance Adjustments	0	0
(c)Adjusted Gross Deferred Tax Assets (1a - 1b)	2,887,636	2,887,636
(d) Deferred Tax Assets Nonadmitted	1,860,512	1,860,512
(e)Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	1,027,124	1,027,124
(f) Deferred Tax Liabilities	(176,149)	(176,149)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	850,975	850,975

1.

Change		
7	8	9
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total
(a) Gross Deferred Tax Assets	1,760,246	1,760,246
(b) Statutory Valuation Allowance Adjustments	0	0
(c)Adjusted Gross Deferred Tax Assets (1a - 1b)	1,760,246	1,760,246
(d) Deferred Tax Assets Nonadmitted	(813,446)	(813,446)
(e)Subtotal Net Admitted Deferred Tax Assets (1c - 1d)	2,573,692	2,573,692
(f) Deferred Tax Liabilities	(59,439)	(59,439)
(g) Net Admitted Deferred Tax Assets/(Net Deferred Tax Liability) (1e - 1f)	2,514,253	2,514,253

2.

12/31/2013		
1	2	3
Ordinary	Capital	(Col 1+2) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income taxes Paid In Prior Years Recoverable Through Loss Carry Carrybacks.	2,619,059	0	2,619,159
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)	746,169	0	746,169
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	746,169	0	746,169
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	xxx	xxx	3,590,796
(c)Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities	235,588	0	235,588
(d)Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))	3,600,816	0	3,600,816

Notes to Financial Statements

2.

12/31/2012		
4	5	6
Ordinary	Capital	(Col 4+5) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income taxes Paid In Prior Years Recoverable Through Loss Carry Carrybacks.

765,753	0	765,753
---------	---	---------

(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)

85,222	0	85,222
--------	---	--------

1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.

85,222	0	85,222
--------	---	--------

2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.

xxx	xxx	3,895,716
-----	-----	-----------

(c)Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities

176,149	0	176,149
---------	---	---------

(d)Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))

1,027,124	0	1,027,124
-----------	---	-----------

2.

Change		
7	8	9
(Col 1-4) Ordinary	(Col 2-5) Capital	(Col 7+8) Total

Admission Calculation Components SSAP No. 101

(a) Federal Income taxes Paid In Prior Years Recoverable Through Loss Carry Carrybacks.

1,853,306	0	1,853,306
-----------	---	-----------

(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitation. (The Lesser of 2(b)1 and 2(b)2 Below)

660,947	0	660,947
---------	---	---------

1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.

660,947	0	660,947
---------	---	---------

2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.

xxx	xxx	(304,920)
-----	-----	-----------

(c)Adjusted Gross Deferred Tax Assets (Excluding The Amount of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities

59,439	0	59,439
--------	---	--------

(d)Deferred Tax Assets Admitted as the result of application of SSAP No. 101. Total (2(a) + 2(b) + 2(c))

2,573,692	0	2,573,692
-----------	---	-----------

3.

2013	2012
------	------

(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.

323%	321%
------	------

(b) Amount Of Adjusted Capital And Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b) 2 Above.

28,035,353	25,971,442
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Notes to Financial Statements

4.

12/31/2013		
1	2	3
		(Col 1+2)
Ordinary Percent	Capital Percent	Total Percent

Impact of Tax-Planning Strategies

(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%

4.

12/31/2012		
4	5	6
		(Col 4+5)
Ordinary Percent	Capital Percent	Total Percent

Impact of Tax-Planning Strategies

(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	0%	0%	0%
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	0%	0%	0%

4.

Change		
7	8	9
		(Col 7+8)
(Col 1-4) Ordinary Percent	(Col 2-5) Capital Percent	Total Percent

Impact of Tax-Planning Strategies

(a) Adjusted Gross DTAs (% of Total Adjusted Gross DTAs)	
(b) Net Admitted Adjusted Gross DTAs (% of Total Net Admitted Adjusted Gross DTAs)	

C Does the Corporation's tax-planning strategies include the use of reinsurance? Yes    No X

B. Unrecognized Deferred Tax Liabilities - NOT APPLICABLE.

C. Current income taxes incurred consist of the following major components:

1	2	3
		(Col 1-2)
12/31/2013	12/31/2012	Change

1. Current Income Tax

(a) Federal	5,099,255	5,423,055	(323,800)
(b) Foreign			
(c) Subtotal	5,099,255	5,423,055	(323,800)
(d) Federal income tax on net capital gains			
(e) Utilization of capital loss carry-forwards			
(f) Other	1,785,152	896,907	888,245
(g) Federal and foreign income taxes incurred	6,884,407	6,319,962	564,445

Notes to Financial Statements

1	2	3
12/31/2013	12/31/2012	(Col 1-2) Change

2. Deferred Tax Assets

(a) Ordinary

(1) Discounting of unpaid losses	146,727	171,478	(24,751)
(2) Unearned premium reserve			0
(3) Policyholder reserves			
(4) Investments			
(5) Deferred acquisition costs	40,477	66,734	(26,256)
(6) Policyholder dividends accrual			
(7) Fixed Assets	236,964	177,182	59,782
(8) Compensation and benefits accrual	146,438	292,875	(146,438)
(9) Contingent Liability	2,957,055	1,024,890	1,932,165
(10) Intangibles	911,167	982,167	(71,000)
(11) Net operating loss carry-forward			0
(12) Tax credit carry-forward			
(13) Other (including items <5% of total ordinary tax assets)	209,054	172,310	36,744
(99) Subtotal	4,647,881	2,887,636	1,760,246
(b) Statutory valuation allowance adjustment			0
(c) Nonadmitted	1,047,066	1,860,512	(813,446)
(d) Admitted ordinary deferred tax assets (2a99 - 2b - 2c)	3,600,816	1,027,124	2,573,692

(e) Capital:

(1) Investments	0	0	0
(2) Net capital loss carry-forward	0	0	0
(3) Real estate	0	0	0
(4) Other (including items <5% of total capital tax assets)	0	0	0
(99) Subtotal	0	0	0
(f) Statutory valuation allowance adjustment	0	0	0
(g) Nonadmitted	0	0	0
(h) Admitted capital deferred tax assets (2e99 - 2f - 2g)	0	0	0
(i) Admitted deferred tax assets (2d + 2h)	3,600,816	1,027,124	2,573,692

3. Deferred Tax Liabilities

(a) Ordinary:

(1) Investments	0	0	0
(2) Fixed assets	235,588	176,149	59,439
(3) Deferred and uncollected premium	0	0	0
(4) Policyholder reserves	0	0	0
(5) Other (including items <5% of total ordinary tax assets)	0	0	0
(99) Subtotal	235,588	176,149	59,439
(b) Capital:			
(1) Investments	0	0	0
(2) Real estate	0	0	0
(3) Other (including items <5% of total capital tax liabilities)	0	0	0
(99) Subtotal	0	0	0
(c) Deferred tax liabilities(3a99 + 3b99)	235,588	176,149	59,439
4. Net deferred tax assets/liabilities(2i - 3c)	3,365,228	850,975	2,514,253

Notes to Financial Statements

D. Among the more significant book to tax adjustments were the following:

	2013	%	2012	%
Federal income tax benefit computed at the statutory rate	5,795,140	35.5%	4,765,628	35.5%
Permanent Differences	85,617	0.55%	7,475	0.06%
Change in DTAs on Non Admitted Assets	(96,525)	-0.6%	133,508	0.99%
Impact of Change in Tax Rate		0.00%	(81,345)	-0.61%
Prior Year True-up	(511,644)	-3.1%	8,940	0.07%
Other	(88,871)	-0.5%	(148,730)	-1.11%
Total	5,183,717	31.8%	4,685,477	34.90%
Federal income taxes incurred	5,099,255	31.2%	5,423,055	40.40%
Change in net deferred income taxes	(1,700,690)	-10.4%	(1,634,486)	-12.18%
Prior year underaccrual/(overaccrual)	1,785,152	10.9%	896,907	6.68%
Total statutory income taxes	5,183,717	31.8%	4,685,476	34.90%

D. Carry forwards, recoverable taxes, and IRC 6603 deposits:

The Plan does not have any Net Operating Loss, Capital loss, or tax credit carry forwards.

The Plan does not have any deposits admitted under IRC 6603.

E. The Plan's federal income tax return if filed on a standalone basis and taxes are based on an adopted income tax allocation plan between the Plan and other affiliated members of the controlled group.

F. For the years ended December 31, 2013 and 2012, the Plan did not have tax contingencies under the principles of SSAP No. 5, Liabilities, Contingencies and Impairments of Assets. This is subject but is not expected to significantly increase in the 12 month period following the balance sheet date. The Plan is primarily subject to U.S. federal and various U.S. state and local authorities. Tax years subsequent to 2008 remain open to examination by the Internal Revenue Service and 2007 remains open to state and local tax authorities. As of December 31, 2013, there are no U.S. federal or state returns under examination.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Plan is 100% owned by Health Alliance Plan of Michigan. The Plan's Ultimate Controlling Entity is the Henry Ford Health System (HFHS).
- B. The Plan incurred a management fee, for strategic guidance and support and services from HAP in 2013 and 2012. Through a Specialty Care and Hospital Agreement and a Plan/Primary Care Provider Agreement the Plan purchased healthcare and remitted State of Michigan pass thru payments to HFHS in 2013 and 2013.
- C. The HAP management fee was \$1,020,199 in 2013 and \$964,548 in 2012. The plan paid healthcare services (noted above) to HFHS of \$26,449,561 in 2013 and \$23,852,882 in 2012. The Plan purchased healthcare services from related parties totaling approximately \$352,000 in 2013.
- D. The Plan has recorded an amount due to affiliates of \$125,665 and \$978,098 for the year ended December 31, 2013 and 2012, respectively. The terms of settlement are within 15 days.
- E. Guarantees to Affiliated Groups – Not applicable
- F. As described above
- G. Common Ownership or Control – the Plan and its affiliates are not subject to common ownership or control whereby their operating results or financial position would be significantly different from those if the entities were autonomous.
- H. Ownership in an Upstream Affiliate or Parent – Not applicable
- I. Investments in SCA Entities Exceeding 10% of Admitted Assets – Not applicable
- J. Investments in Impaired SCA Entities – Not applicable
- K. Investments in Foreign Insurance Subsidiaries – Not applicable
- L. Investment in Downstream Noninsurance Subsidiaries – Not applicable

11. Debt

The Plan had no debt.

12. Employee Benefit Plan

A. Defined Benefit Plan – Not applicable

B. Defined Contribution Plan - The Plan maintains a 401(k) plan for its employees. All employees are eligible to participate in the 401(k) plan after completion of age and service requirements. The Plan makes matching contributions to the 401(k) plan up to four percent of eligible compensation. Contributions, net of forfeitures, made to the 401(k) plan by the Plan for the years ended December 31, 2013 and 2012 were approximately \$122,409 and \$139,222, respectively. The fair value of plan assets was \$4,297,709 and \$3,412,271 at December 31, 2013 and 2012 respectively.

C. Multiemployer Plans – Not applicable

D. Consolidated/Holding Company Plans – Not applicable

E. Post employment Benefits and Compensated Absences – Not applicable

Notes to Financial Statements

F. Impact of Medicare Modernization Act on Postretirement Benefits – Not applicable – The Plan does not sponsor a group health plan for retirees.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- 1. Capital stock - The Plan has 60,000 shares authorized, 8,465 issued and outstanding at a par value of \$ 22 as of December 31, 2013.
- 2. Preferred stock – Not applicable
- 3. Dividend Restrictions - Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by the laws of the Plan's state of incorporation, Michigan, and to an amount based on restrictions relating to statutory surplus.
- 4. The Plan and its parent company, HAP, requested and received approval from The State of Michigan, DIFS, for an ordinary dividend of \$7,104,000 in November 2013. The dividend was paid to HAP on November 27, 2013. No dividends were declared in 2012.
- 5. Dividend Restrictions Based on Profits - Within the limitations above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.
- 6. Restrictions on Unassigned Funds (Surplus) – Not applicable
- 7. Advances to Surplus not Repaid – Not applicable.
- 8. Stock held for Special Purposes – Not applicable.
- 9. Changes in special Surplus funds – Not applicable
- 10. There are no cumulative unrealized gains and losses that reduce Unassigned funds (Surplus)
- 11. Surplus Notes – Not applicable
- 12. Impact of a Restatement Due to a Quasi-reorganization – Not applicable
- 13. The Effective Date(s) of a Quasi-Reorganization for the Prior Ten Years – Not applicable

14. Commitments and Contingencies

The Plan has recorded a gain contingency, in accordance with SSAP No. 5R, Liabilities, Contingencies and Impairments of Assets Revised for State of Michigan refiled tax return refunds due to a change in filing position, plus interest, from 2008 thru 2011 of \$10,253,000 and \$2,891,000 at December 31, 2013 and December 31, 2012, respectively. The associated expense reduction from the refilling will be recognized in the future. Based on the tax return filing position, the Plan believes it is probable that the refilled returns may be overturned by the State of Michigan Treasury Department. Thus, until this uncertainty is eliminated the Plan has recorded a liability and not recognized the associated expense reduction from the refiling.

a. Aggregate Maximum Potential of Future Payments of All Guarantees (undiscounted) the guarantor could be required to make under guarantees – Not applicable

b. Current Liability Recognized in financial statements:

- 1. Noncontingent Liabilities Not applicable
- 2.
  - a. Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end - \$0
  - b. Decreases current year – \$0
  - c. Increases current year – State of Michigan tax refunds & filing position \$7,362,411
  - d. Asset recognized from paid and accrued premium tax offsets and policy surcharges current year-end - \$0

c. Ultimate Financial Statement Impact if action under the guarantee is required - Not applicable

15. Leases

A. Lessee Operating Lease  
1 The Plan commenced a 10 year operating lease for its primary office space in December 2010, which is cancellable after the 6th year. Rental expense was \$691,851 and \$749,560 in 2013 and 2012, respectfully.

2 At December 31, 2013, the minimum aggregate rental commitments are as follows:

1.	2014	\$479,298
2.	2015	\$491,266
3.	2016	\$471,712
4.	Total	<u>\$1,442,276</u>

- B. Lessor Leases – Not applicable
- C. Leveraged Leases – Not applicable

16. Information About Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.

The Plan had no financial instruments with off-balance sheet risk or with concentrations of credit risk.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishment of Liabilities

The Plan had no sales transfer and servicing of financial assets or extinguishment of liabilities.

18. Gain or Loss to the Reporting Entity from Uninsured A&H Plans and the Uninsured Portion of Partially Insured Plans.

- A. – ASO Plans – Not applicable
- B. – ASC Plans – Not applicable

Notes to Financial Statements

C. – Medicare or Other Similarly Structured Cost Based Reimbursement Contract –

1. Major components of revenue by payor – Not applicable
2. Receivables from payors with account balances the greater of 10% of amounts receivable relating to uninsured accident and health plans of \$10,000 – Not applicable
3. In connection with the Plan’s Medicare contract, the Plan has recorded allowances and reserves for adjustment of recorded revenues in the amount of \$231,000 at December 31, 2013.
4. Adjustments to revenue resulting from audit of receivables related to revenues recorded in the prior period – Not applicable

19. Direct Premium Written/Produced by Managing General Third Agents/Third Party Administrators

The plan had no direct premium written/produced by managing general third agents/third party administrators.

20. Fair Value Measurements

A.

(1) Fair Value Measurements at Reporting Date

Description	(Level 1)	(Level 2)	(Level 3)	Total
a. Assets at Fair Value				
Bonds:				
U.S. Governments	\$1,045,458			1,045,458
Industrial and Misc.	58,535,265			58,535,265
Total Bonds	59,580,723			59,580,723
Total Assets at Fair Value	\$59,580,723			\$59,580,723
b. Liabilities at Fair Value				
Total Liabilities at Fair Value	\$0			\$0

(2) The Plan has no fair value measurements categorized within Level 3 of the fair value hierarchy.

(3) The Plan had no transfers between levels.

B. Fair value information and information about other similar measurements disclosed under other accounting pronouncements combined with disclosures under SSAP No. 100, Fair Value Measurements – Not applicable.

C. Aggregate fair values of all financial instruments and applicable levels within the fair value hierarchy

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets/ Liabilities	Not Practicable Carrying Value			
			(Level 1)	(Level 2)	(Level 3)	
Bonds	59,580,723	59,583,256	59,580,723			
Common Stock						
Derivative Assets						
Derivative Liabilities						

D. Financial instruments or classes of financial instruments for which fair value measurements are not determinable - NOT APPLICABLE.

21. Other Items

- A. Extraordinary Items – Not applicable
- B. Troubled Debt Restructuring – Not applicable
- C. Other Disclosures – Statutory Reserve – see Note 1C2
- D. Uncollectible Assets – None – not applicable
- E. Business Interruption Insurance Recoveries – Not applicable
- F. State Transferable Tax Credits – Not applicable
- G. Subprime Mortgage Related Risk Exposure – Not applicable

22. Events Subsequent

Type I – Recognized Subsequent Events – Not applicable  
Type II – Non-recognized Subsequent Events

Notes to Financial Statements

Subsequent events have been considered through February 28, 2014 for the Statutory Statements issued on December 31, 2013.

On January 1, 2014, the Plan will be subject to an annual fee under section 9010 of the Affordable Care Act (ACA). This annual fee will be allocated to the individual health insurers based on the ratio of the amount of the Plan's net premiums written during the preceding calendar year to the amount of the health insurance for any U.S. health risk that is written during the preceding calendar year. A health insurance entity's portion of the annual fee becomes payable once the entity provides health insurance for any U.S. health risk for each calendar year beginning on or after January 1, 2014. As of December 31, 2013, the Plan has written health insurance subject to the ACA assessment, expects to conduct health insurance business in 2014, and an estimate its portion of the annual health insurance industry fee to be payable on September 30, 2014 cannot be made as of the Balance Sheet date.

- A. ACA fee assessment payable – Not applicable
- B. Assessment expected to impact RBC – Not applicable

23. Reinsurance

- A. Ceded Reinsurance Report
  - Section 1 – General Interrogatories
    - 1 - Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the Plan or by any representative, officer, trustee, or director of the company? NO
    - 2 - Have any policies issued by the company been reinsured with a company chartered in a country other than the United States this is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or any other person not primarily engaged in the insurance business? NO
  - Section 2 – Ceded Reinsurance Report – Part A
    - 1 – Does the Plan have a reinsurance agreement in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit? NO
    - 2 – Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies? NO
  - Section 3 – Ceded Reinsurance Report – Part B
    - 1 – \$365,000 is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement.
    - 2 – Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Plan as of the effective date of the agreement? NO
- B. Uncollectible Reinsurance – Not applicable
- C. Commutation of Ceded Reinsurance – Not applicable

The Plan has a reinsurance agreement with RGA Reinsurance Company, NAIC 93572, Federal Tax ID #43-1235868, and a non-affiliated U.S. company for 2013. The deductible rate for institutional services is \$200,000 for covered Medicaid members, \$165,000 for covered Child Special Health Care Service members and, \$120,000 for covered Medicare members with a co-payment of 10%, except for non-approved transplants in 2013. Reinsurance ceded was \$923,550 and \$430,589 for 2013 and 2012, respectively. The maximum reinsurance per member is \$1,000,000 per year and \$2,000,000 per lifetime. The agreement is non-cancelable other than for failure to pay premiums. For the 2013 policy year, the Plan has an estimated receivable of \$198,003 on paid claims as of December 31, 2013. The Plan received a \$464,964 reimbursement for the 2012 policy year in November 2013.

The company does not have assumed uncollectible or retroactive reinsurance.

24. Retrospectively Rated Contracts and Contracts Subject to Redetermination.

The Plan has no retrospectively rated contracts or contracts subject to redetermination.

25. Change in Incurred Claims and Claims Adjustment Expenses

Reserves as of December 31, 2013 were \$37,042,412. As of December 31, 2013, \$28,948,806 has been paid for incurred claims and claim adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$726,017 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$1,919,345 favorable prior-year development since December 31, 2012 to December 31, 2013. The increase (decrease) is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual.

Activity in the liability for claims unpaid at December 31, 2013 and 2012 is summarized as follow:

	2013	2012
Medical Claims Liability		
Balance January 1	31,669,847	27,099,292
Incurred related to:		
Current Year	259,055,970	240,116,473
Prior Year	(1,919,345)	(2,250,799)
Total Incurred	257,136,625	237,865,674
Paid Related to:		
Current Year	222,815,254	208,851,648
Prior Year	28,948,806	24,443,471
Total Paid	251,764,060	233,295,119
Balance December 31	37,042,412	31,669,847



Notes to Financial Statements

26. Intercompany Pooling Arrangements

Not applicable

27. Structured Settlements

Not applicable

28. Health Care Receivables – Admitted

A. **Pharmaceutical/Rebates Receivable** – The plan recognizes pharmacy rebates/reimbursements when the amounts are known or a reasonable estimate is determinable.

Quarter	Estimated Receivable	Confirmed Receivable	Received within 90 days	Received within 91-180 days	Received over 180 Days
12/31/13	196,784	196,784	196,784		
9/30/13	25,243	25,243	25,243		
6/30/13	307,570	307,570	307,570		
3/31/13	403	403	403		
12/31/12	425,280	425,280	425,280		
9/30/12	260	260	260		
6/30/12	113,680	113,680	113,680		
3/31/12	42,616	42,616	42,616		
12/31/11	63,103	63,103	63,103		
9/30/11	209,870	209,870	209,870		
6/30/11	296,789	296,789	296,789		
3/31/11	105,974	105,974	105,974		

B. Risk Sharing Receivable

The Plan’s contract with capitated providers that have 250 or more assigned members are subject to risk sharing. Any provider with a deficit balance owes 25% of that balance, up to a maximum of three month’s capitation, to the Plan. The Plan has a final settlement with Providers 18 months after the beginning of the respective contract year. For 2013 and 2012 the Plan has agreed to waive any Risk Share Receivable and accordingly rebased its capitation payment and referral pool funding for 2013.

29. Participating Policies

Not applicable

30. Premium Deficiency Reserves

Not applicable

31. Anticipated Salvage and Subrogation

Not applicable

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?  
If yes, complete Schedule Y, Parts 1, 1A and 2.

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating?

Michigan
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2010
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2010
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

06/26/2012
- 3.4 By what department or departments?  
Department of Energy, Labor & Economic Growth (DELEG), Office of Financial & Insurance Regulation
- 3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

Yes[ ] No[ ] N/A[X]
- 3.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[X] No[ ] N/A[ ]
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1 Nationality	2 Type of Entity

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[ ] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[ ] No[X]
- 8.4 If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e., the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
		Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]	Yes[ ] No[X]

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
Deloitte & Touche LLP, Suite 3900, 200 Renaissance Center, Detroit, MI 48243
- 10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.2 If response to 10.1 is "yes," provide information related to this exemption:
- 10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation?

Yes[ ] No[X]
- 10.4 If response to 10.3 is "yes," provide information related to this exemption:
- 10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[ ] N/A[ ]
- 10.6 If the response to 10.5 is "NO" or "N/A" please explain:
11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
Dave Thoen, FSA, MAAA, Deloitte & Toche LLP, 50 South Sixth Street, Suite 2800, Minneapolis, MN 55402-1538, Consulting Contract

GENERAL INTERROGATORIES (Continued)

- 12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes[ ] No[X]
- 12.11 Name of real estate holding company
- 12.12 Number of parcels involved
- 12.13 Total book/adjusted carrying value

\$00
- 12.2 If yes, provide explanation
13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:
- 13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

Yes[ ] No[ ] N/A[X]
- 13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?

Yes[ ] No[ ] N/A[X]
- 13.3 Have there been any changes made to any of the trust indentures during the year?

Yes[ ] No[ ] N/A[X]
- 13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes?
- 14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?

Yes[X] No[ ]
- 14.1a Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 14.1b Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- 14.1c Compliance with applicable governmental laws, rules and regulations;
- 14.1d The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- 14.1e Accountability for adherence to the code.
- 14.11 If the response to 14.1 is no, please explain:
- 14.2 Has the code of ethics for senior managers been amended?

Yes[ ] No[X]
- 14.21 If the response to 14.2 is yes, provide information related to amendment(s).
- 14.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[ ] No[X]
- 14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).
- 15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List?

Yes[ ] No[X]
- 15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

	1 American Bankers Association (ABA) Routing Number	2  Issuing or Confirming Bank Name	3  Circumstances That Can Trigger the Letter of Credit	4  Amount
15.2001	.....	.....	.....	.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes[X] No[ ]
17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes[X] No[ ]
18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes[X] No[ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)?

Yes[ ] No[X]
- 20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers

\$00
- 20.12 To stockholders not officers

\$00
- 20.13 Trustees, supreme or grand (Fraternal only)

\$00
- 20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers

\$00
- 20.22 To stockholders not officers

\$00
- 20.23 Trustees, supreme or grand (Fraternal only)

\$00
- 21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes[ ] No[X]
- 21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others

\$00
- 21.22 Borrowed from others

\$00
- 21.23 Leased from others

\$00
- 21.24 Other

\$00
- 22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes[ ] No[X]
- 22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment

\$00
- 22.22 Amount paid as expenses

\$00
- 22.23 Other amounts paid

\$00
- 23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[ ] No[X]
- 23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$00

INVESTMENT

- 24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03)

Yes[X] No[ ]
- 24.02 If no, give full and complete information, relating thereto
- 24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)
- 24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions?

Yes[ ] No[ ] N/A[X]
- 24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs.

\$00
- 24.06 If answer to 24.04 is no, report amount of collateral for other programs.

\$00
- 24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract?

Yes[ ] No[ ] N/A[X]
- 24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%?

Yes[ ] No[ ] N/A[X]

GENERAL INTERROGATORIES (Continued)

- 24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending?

Yes[ ] No[ ] N/A[X]
- 24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:

24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ ..... 0

24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2.

\$ ..... 0

24.103 Total payable for securities lending reported on the liability page.

\$ ..... 0
- 25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03).

Yes[X] No[ ]
- 25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements

\$ ..... 0

25.22 Subject to reverse repurchase agreements

\$ ..... 0

25.23 Subject to dollar repurchase agreements

\$ ..... 0

25.24 Subject to reverse dollar repurchase agreements

\$ ..... 0

25.25 Pledged as collateral

\$ ..... 0

25.26 Placed under option agreements

\$ ..... 0

25.27 Letter stock or securities restricted as to sale

\$ ..... 0

25.28 On deposit with state or other regulatory body

\$ ..... 1,045,458

25.29 Other

\$ ..... 0
- 25.3 For category (25.27) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....	.....	.....

- 26.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[ ] No[X]
- 26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[ ] No[ ] N/A[X]
- If no, attach a description with this statement.
- 27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[ ] No[X]
- 27.2 If yes, state the amount thereof at December 31 of the current year.

\$ ..... 0
28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]
- 28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian's Address
Comerica Bank .....	411 W Lafayette, Detroit, MI 48226 .....

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
.....	.....	.....

- 28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year?

Yes[ ] No[X]
- 28.04 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
.....	.....	.....	.....

28.05 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository Number(s)	Name	Address
Not applicable .....	Brian Gamble .....	Detroit Michigan .....

- 29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])?

Yes[ ] No[X]
- 29.2 If yes, complete the following schedule:

1	2	3
CUSIP #	Name of Mutual Fund	Book/Adjusted Carrying Value
29.2999 Total .....	.....	.....

29.3 For each mutual fund listed in the table above, complete the following schedule:

GENERAL INTERROGATORIES (Continued)

1	2	3	4
Name of Mutual Fund (from above table)	Name of Significant Holding of the Mutual Fund	Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1	2	3
	Statement (Admitted) Value	Fair Value	Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds .....	1,045,458	1,043,143	(2,316)
30.2 Preferred stocks .....			
30.3 Totals .....	1,045,458	1,043,143	(2,316)

30.4 Describe the sources or methods utilized in determining the fair values  
Ready market for the Investments held: U.S. Treasury Note with stated interest rate

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D?

Yes[X] No[ ]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source?

Yes[X] No[ ] N/A[ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

Restricted Deposit held to maturity - thus Amortized cost

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes[X] No[ ]

32.2 If no, list exceptions:

OTHER

33.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$..... 159,353

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1	2
Name	Amount Paid
Michigan Association of Health Plans .....	128,156

34.1 Amount of payments for legal expenses, if any?

\$..... 2,365

34.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1	2
Name	Amount Paid
Wachler & Associates .....	1,392
Barris, Scott, Denn & Driker, P.L.L.C. ....	830

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$..... 120,000

35.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1	2
Name	Amount Paid
RCP Associates .....	60,000
Mitchell Research .....	60,000

GENERAL INTERROGATORIES (Continued)

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes[ ] No[X]

1.2 If yes, indicate premium earned on U.S. business only:

\$ ..... 0

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ ..... 0

1.4 1.31 Reason for excluding:

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.

\$ ..... 0

1.5 Indicate total incurred claims on all Medicare Supplement insurance.

\$ ..... 0

1.6 Individual policies - Most current three years:

1.61 Total premium earned

\$ ..... 0

1.62 Total incurred claims

\$ ..... 0

1.63 Number of covered lives

..... 0

All years prior to most current three years:

1.64 Total premium earned

\$ ..... 0

1.65 Total incurred claims

\$ ..... 0

1.66 Number of covered lives

..... 0

1.7 Group policies - Most current three years:

1.71 Total premium earned

\$ ..... 0

1.72 Total incurred claims

\$ ..... 0

1.73 Number of covered lives

..... 0

All years prior to most current three years:

1.74 Total premium earned

\$ ..... 0

1.75 Total incurred claims

\$ ..... 0

1.76 Number of covered lives

..... 0

2. Health Test

		1	2
		Current Year	Prior Year
2.1	Premium Numerator .....	295,160,840	275,142,049
2.2	Premium Denominator .....	295,160,840	275,142,049
2.3	Premium Ratio (2.1 / 2.2) .....	1.000	1.000
2.4	Reserve Numerator .....	37,902,789	32,726,160
2.5	Reserve Denominator .....	37,902,789	32,726,160
2.6	Reserve Ratio (2.4 / 2.5) .....	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?

Yes[ ] No[X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency?

Yes[X] No[ ]

4.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?

Yes[ ] No[ ] N/A[X]

5.1 Does the reporting entity have stop-loss reinsurance?

Yes[X] No[ ]

5.2 If no, explain:

5.3 Maximum retained risk (see instructions):

5.31 Comprehensive Medical

\$ ..... 280,000

5.32 Medical Only

\$ ..... 0

5.33 Medicare Supplement

\$ ..... 0

5.34 Dental & Vision

\$ ..... 0

5.35 Other Limited Benefit Plan

\$ ..... 0

5.36 Other

\$ ..... 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

Midwest Health Plan has agreements with its Primary Care providers to continue services until enrollee is re-assigned by Medicaid.

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis?

Yes[X] No[ ]

7.2 If no, give details:

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year

..... 1,309

8.2 Number of providers at end of reporting year

..... 1,815

9.1 Does the reporting entity have business subject to premium rate guarantees?

Yes[ ] No[X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months

..... 0

9.22 Business with rate guarantees over 36 months

..... 0

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts?

Yes[X] No[ ]

10.2 If yes:

10.21 Maximum amount payable bonuses

\$ ..... 3,477,335

10.22 Amount actually paid for year bonuses

\$ ..... 2,195,676

10.23 Maximum amount payable withholds

\$ ..... 1,784,868

10.24 Amount actually paid for year withholds

\$ ..... 583,615

11.1 Is the reporting entity organized as:

11.12 A Medical Group/Staff Model,

Yes[ ] No[X]

11.13 An Individual Practice Association (IPA), or,

Yes[ ] No[X]

11.14 A Mixed Model (combination of above)?

Yes[X] No[ ]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements?

Yes[X] No[ ]

11.3 If yes, show the name of the state requiring such net worth.

Michigan

11.4 If yes, show the amount required.

\$ ..... 17,367,996

11.5 Is this amount included as part of a contingency reserve in stockholder's equity?

Yes[ ] No[X]

11.6 If the amount is calculated, show the calculation.

12. List service areas in which the reporting entity is licensed to operate:

1
Name of Service Area
Livingston, Macomb, Oakland, St. Claire, Washtenaw, Wayne .....
Counties .....

13.1 Do you act as a custodian for health savings accounts?

Yes[ ] No[X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date:

\$ ..... 0

13.3 Do you act as an administrator for health savings accounts?

Yes[ ] No[X]

13.4 If yes, please provide the balance of the funds administered as of the reporting date:

\$ ..... 0

FIVE-YEAR HISTORICAL DATA

	1 2013	2 2012	3 2011	4 2010	5 2009
<b>BALANCE SHEET (Pages 2 and 3)</b>					
1. TOTAL Admitted Assets (Page 2, Line 28) .....	82,056,220	66,697,328	49,888,763	77,769,737	71,884,532
2. TOTAL Liabilities (Page 3, Line 24) .....	50,655,639	39,874,911	30,800,896	29,335,218	25,895,358
3. Statutory surplus .....	17,367,996	16,168,642	14,858,088	13,974,960	12,790,400
4. TOTAL Capital and Surplus (Page 3, Line 33) .....	31,400,581	26,822,417	19,087,867	48,434,519	45,989,174
<b>INCOME STATEMENT (Page 4)</b>					
5. TOTAL Revenues (Line 8) .....	294,580,195	274,497,308	265,104,148	247,768,626	223,384,669
6. TOTAL Medical and Hospital Expenses (Line 18) .....	259,422,180	240,392,352	217,028,089	203,845,454	186,490,777
7. Claims adjustment expenses (Line 20) .....	3,657,902	3,311,601	3,382,808	3,026,000	2,827,028
8. TOTAL Administrative Expenses (Line 21) .....	15,200,497	17,388,122	34,897,617	28,243,555	23,223,159
9. Net underwriting gain (loss) (Line 24) .....	16,299,616	13,405,234	9,795,635	12,653,616	10,843,704
10. Net investment gain (loss) (Line 27) .....	24,723	19,070	67,265	52,073	116,693
11. TOTAL Other Income (Lines 28 plus 29) .....					
12. Net income or (loss) (Line 32) .....	9,439,932	7,104,342	5,936,900	8,509,248	7,060,397
<b>Cash Flow (Page 6)</b>					
13. Net cash from operations (Line 11) .....	16,775,485	12,010,667	7,799,670	12,842,518	8,150,854
<b>RISK-BASED CAPITAL ANALYSIS</b>					
14. TOTAL Adjusted Capital .....	31,400,581	26,822,417	19,087,867	48,434,519	45,989,174
15. Authorized control level risk-based capital .....	8,683,998	8,084,321	7,429,044	6,987,480	6,395,200
<b>ENROLLMENT (Exhibit 1)</b>					
16. TOTAL Members at End of Period (Column 5, Line 7) .....	79,419	82,326	75,040	71,013	69,642
17. TOTAL Members Months (Column 6, Line 7) .....	959,982	945,228	884,601	848,284	802,338
<b>OPERATING PERCENTAGE (Page 4)</b>					
(Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18. Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5) .....	100.0	100.0	100.0	100.0	100.0
19. TOTAL Hospital and Medical plus other non-health (Lines 18 plus Line 19) .....	87.9	87.4	81.7	82.1	82.1
20. Cost containment expenses .....	0.5				
21. Other claims adjustment expenses .....	0.7	1.2	1.3	1.2	1.2
22. TOTAL Underwriting Deductions (Line 23) .....	94.3	94.9	96.1	94.7	93.6
23. TOTAL Underwriting Gain (Loss) (Line 24) .....	5.5	4.9	3.7	5.1	4.8
<b>UNPAID CLAIMS ANALYSIS</b>					
(U&I Exhibit, Part 2B)					
24. TOTAL Claims Incurred for Prior Years (Line 13, Column 5) .....	30,601,182	26,143,092	25,434,257	22,770,447	15,900,698
25. Estimated liability of unpaid claims-[prior year (Line 13, Column 6)] .....	32,726,160	28,199,166	26,430,558	22,745,365	20,006,827
<b>INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES</b>					
26. Affiliated bonds (Sch. D Summary, Line 12, Column 1) .....					
27. Affiliated preferred stocks (Sch. D Summary, Line 18, Column 1) .....					
28. Affiliated common stocks (Sch. D Summary, Line 24, Column 1) .....					
29. Affiliated short-term investments (subtotal included in Sch. DA Verification, Col. 5, Line 10) .....					
30. Affiliated mortgage loans on real estate .....					
31. All other affiliated .....					
32. TOTAL of Above Lines 26 to 31 .....					
33. TOTAL investment in parent included in Lines 26 to 31 above .....					

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes[ ] No[ ] N/A[X]

If no, please explain::

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS  
ALLOCATED BY STATES AND TERRITORIES

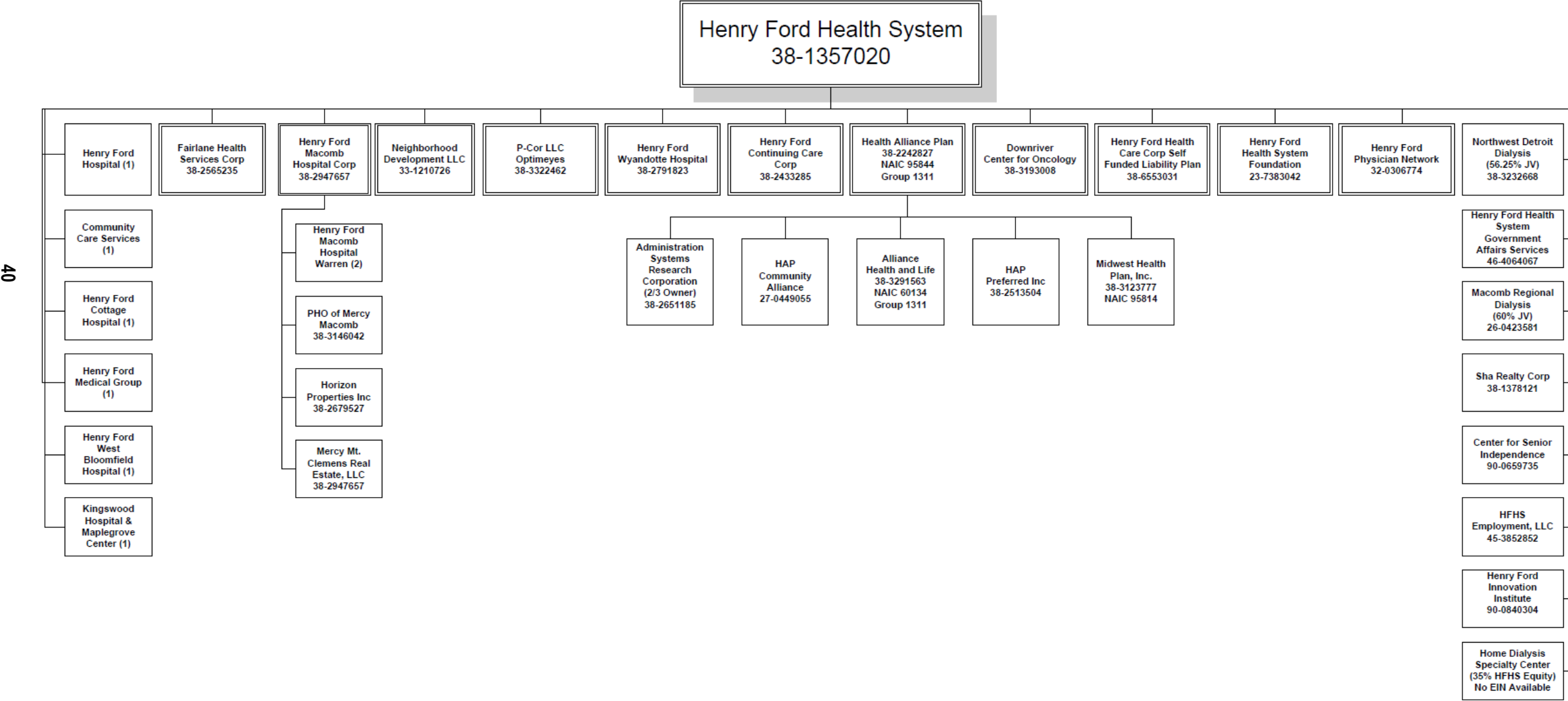
		1	Direct Business Only							
			2	3	4	5	6	7	8	9
State, Etc.		Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Plan Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit - Type Contracts
1.	Alabama (AL)	N								
2.	Alaska (AK)	N								
3.	Arizona (AZ)	N								
4.	Arkansas (AR)	N								
5.	California (CA)	N								
6.	Colorado (CO)	N								
7.	Connecticut (CT)	N								
8.	Delaware (DE)	N								
9.	District of Columbia (DC)	N								
10.	Florida (FL)	N								
11.	Georgia (GA)	N								
12.	Hawaii (HI)	N								
13.	Idaho (ID)	N								
14.	Illinois (IL)	N								
15.	Indiana (IN)	N								
16.	Iowa (IA)	N								
17.	Kansas (KS)	N								
18.	Kentucky (KY)	N								
19.	Louisiana (LA)	N								
20.	Maine (ME)	N								
21.	Maryland (MD)	N								
22.	Massachusetts (MA)	N								
23.	Michigan (MI)	L	1,487,474	9,359,159	285,237,758				296,084,391	
24.	Minnesota (MN)	N								
25.	Mississippi (MS)	N								
26.	Missouri (MO)	N								
27.	Montana (MT)	N								
28.	Nebraska (NE)	N								
29.	Nevada (NV)	N								
30.	New Hampshire (NH)	N								
31.	New Jersey (NJ)	N								
32.	New Mexico (NM)	N								
33.	New York (NY)	N								
34.	North Carolina (NC)	N								
35.	North Dakota (ND)	N								
36.	Ohio (OH)	N								
37.	Oklahoma (OK)	N								
38.	Oregon (OR)	N								
39.	Pennsylvania (PA)	N								
40.	Rhode Island (RI)	N								
41.	South Carolina (SC)	N								
42.	South Dakota (SD)	N								
43.	Tennessee (TN)	N								
44.	Texas (TX)	N								
45.	Utah (UT)	N								
46.	Vermont (VT)	N								
47.	Virginia (VA)	N								
48.	Washington (WA)	N								
49.	West Virginia (WV)	N								
50.	Wisconsin (WI)	N								
51.	Wyoming (WY)	N								
52.	American Samoa (AS)	N								
53.	Guam (GU)	N								
54.	Puerto Rico (PR)	N								
55.	U.S. Virgin Islands (VI)	N								
56.	Northern Mariana Islands (MP)	N								
57.	Canada (CAN)	N								
58.	Aggregate other alien (OT)	X X X								
59.	Subtotal	X X X	1,487,474	9,359,159	285,237,758				296,084,391	
60.	Reporting entity contributions for Employee Benefit Plans	X X X								
61.	TOTAL (Direct Business)	(a) 1	1,487,474	9,359,159	285,237,758				296,084,391	
DETAILS OF WRITE-INS										
5801.		X X X								
5802.		X X X								
5803.		X X X								
5898.	Summary of remaining write-ins for Line 58 from overflow page	X X X								
5899.	TOTALS (Lines 5801 through 5803 plus 5898) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER  
MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART



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